

Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

Terry Goddard Announces Deceptive Advertising Settlement

(Phoenix, Ariz. – Sept. 22, 2008) Attorney General Terry Goddard today announced a settlement with Hyundai of Tempe LLC (Hyundai of Tempe) resolving allegations that the company employed deceptive advertising in a solicitation sent to thousands of Arizona consumers.

According to court documents, Hyundai of Tempe mailed a flyer in June 2007 announcing that consumers would receive 100 percent of the base Manufacturer's Suggested Retail Price ("MSRP") on their 2005 or older vehicle they used as a trade-in on their purchase or lease of a "like or upgraded" 2007 or 2008 Hyundai automobile from Hyundai of Tempe. The advertisement contained statements in smaller type at the bottom of the page which stated "Trade-in allowance not to exceed current NADA book retail value" and "your current vehicle must be in safe operating condition with normal wear and tear. The only adjustments will be made for mileage and reconditioning."

Goddard alleged that these statements were misleading because the "NADA book retail value" is based on a vehicle's mileage and overall condition and therefore effectively negated the more prominent "100% Reimbursement" message. According to court documents, no consumer could receive 100 percent of his or her base MSRP on a trade-in since deductions would be taken for mileage and overall condition.

This settlement, which comes in the form of an Assurance of Discontinuance and does not constitute an admission of wrongdoing, was filed in Maricopa County Superior Court on Friday, September 19. According to the settlement, Hyundai of Tempe agrees:

- Not to engage in any false or deceptive advertising, including using language in an advertisement that contradicts or negates other language, representation or offer included in the same ad.
- To clearly and conspicuously disclose all material facts, terms and conditions relating to any offer it makes to the public through any medium. Any disclosures or disclaimers that clarify, modify or explain any statements, representations or terms in any advertisement shall be clear and conspicuous.
- To pay the Attorney General's Office \$15,000 for attorneys' fees and investigation costs.

Assistant Attorney General Cherie Howe handled this case. Copies of the settlement and the Hyundai of Tempe flyer are available on the Attorney General's Web site, www.azag.gov.

If you believe you have been a victim of fraud, please contact the Attorney General's Office in Phoenix at 602.542.5763, in Tucson at 520.628.6504 or outside the Phoenix and Tucson metro areas at 1.800.352.8431. To file a complaint in person, the Attorney General's Office has satellite offices throughout Arizona with volunteers available to help. Locations and hours are posted on the Attorney General's Web site. An online complaint form is also posted on the Attorney General's Web site.

For more information, please contact Anne Hilby at (602) 542-8019.

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